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106TH CONGRESS
1ST SESSION

S. 468

[Report No. 106–103]

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1999

Mr. VOINOVICH (for himself, Mr. THOMPSON, Mr. LIEBERMAN, Mr. DURBIN, and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

JULY 1, 1999

Reported by Mr. THOMPSON, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Financial As-
3 sistance Management Improvement Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 ~~The~~ Congress finds that—

6 (1) there are over 600 different Federal finan-
7 cial assistance programs to implement domestic pol-
8 icy;

9 (2) while the assistance described in paragraph
10 (1) has been directed at critical problems, some Fed-
11 eral administrative requirements may be duplicative,
12 burdensome or conflicting, thus impeding cost-effec-
13 tive delivery of services at the local level;

14 (3) the Nation’s State, local, and tribal govern-
15 ments and private, nonprofit organizations are deal-
16 ing with increasingly complex problems which re-
17 quire the delivery and coordination of many kinds of
18 services; and

19 (4) streamlining and simplification of Federal
20 financial assistance administrative procedures and
21 reporting requirements will improve the delivery of
22 services to the public.

23 **SEC. 3. PURPOSES.**

24 The purposes of this Act are to—

25 (1) improve the effectiveness and performance
26 of Federal financial assistance programs;

- 1 (2) simplify Federal financial assistance appli-
2 cation and reporting requirements;
- 3 (3) improve the delivery of services to the pub-
4 lic; and
- 5 (4) facilitate greater coordination among those
6 responsible for delivering such services.

7 **SEC. 4. DEFINITIONS.**

8 In this Act:

9 (1) **DIRECTOR.**—The term “Director” means
10 the Director of the Office of Management and Budget.
11 et.

12 (2) **FEDERAL AGENCY.**—The term “Federal
13 agency” means any agency as defined under section
14 551(1) of title 5, United States Code.

15 (3) **FEDERAL FINANCIAL ASSISTANCE.**—The
16 term “Federal financial assistance” has the same
17 meaning as defined in section 7501(a)(5) of title 31,
18 United States Code, under which Federal financial
19 assistance is provided, directly or indirectly, to a
20 non-Federal entity.

21 (4) **LOCAL GOVERNMENT.**—The term “local
22 government” means a political subdivision of a State
23 that is a unit of general local government (as de-
24 fined under section 7501(a)(11) of title 31, United
25 States Code);.

1 (5) NON-FEDERAL ENTITY.—The term “non-
2 Federal entity” means a State, local government, or
3 nonprofit organization.

4 (6) NONPROFIT ORGANIZATION.—The term
5 “nonprofit organization” means any corporation,
6 trust, association, cooperative, or other organization
7 that—

8 (A) is operated primarily for scientific,
9 educational, service, charitable, or similar pur-
10 poses in the public interest;

11 (B) is not organized primarily for profit;
12 and

13 (C) uses net proceeds to maintain, im-
14 prove, or expand the operations of the organiza-
15 tion.

16 (7) STATE.—The term “State” means any
17 State of the United States, the District of Columbia,
18 the Commonwealth of Puerto Rico, the Virgin Is-
19 lands, Guam, American Samoa, the Commonwealth
20 of the Northern Mariana Islands, and the Trust
21 Territory of the Pacific Islands, and any instrumen-
22 tality thereof, any multi-State, regional, or interstate
23 entity which has governmental functions, and any
24 Indian Tribal Government.

1 (8) TRIBAL GOVERNMENT.—The term “tribal
2 government” means an Indian tribe, as that term is
3 defined in section 7501(a)(9) of title 31, United
4 States Code.

5 (9) UNIFORM ADMINISTRATIVE RULE.—The
6 term “uniform administrative rule” means a Govern-
7 ment-wide uniform rule for any generally applicable
8 requirement established to achieve national policy
9 objectives that applies to multiple Federal financial
10 assistance programs across Federal agencies.

11 **SEC. 5. DUTIES OF FEDERAL AGENCIES.**

12 (a) IN GENERAL.—~~Not~~ *Except as provided under sub-*
13 *section (b), not* later than ~~48~~ 36 months after the date
14 of enactment of this Act, each Federal agency shall de-
15 velop and implement, *including promulgation of rules and*
16 *amendments to existing collections of information*, a plan
17 that—

18 (1) streamlines and simplifies the application,
19 administrative, and reporting procedures for Federal
20 financial assistance programs administered by the
21 agency;

22 (2) demonstrates active participation in the
23 interagency process under section 6(a)(2);

1 (3) demonstrates appropriate agency use, or
2 plans for use, of the common application and report-
3 ing system developed under section 6(a)(1);

4 (4) designates a lead agency official for car-
5 rying out the responsibilities of the agency under
6 this Act;

7 (5) allows applicants to electronically apply for,
8 and report on the use of, funds from the Federal fi-
9 nancial assistance program administered by the
10 agency;

11 (6) ensures recipients of Federal financial as-
12 sistance provide timely, complete, and high quality
13 information in response to Federal reporting re-
14 quirements; and

15 (7) *in cooperation with recipients of Federal fi-*
16 *nancial assistance*, establishes specific annual goals
17 and objectives to further the purposes of this Act
18 and measure annual performance in achieving those
19 goals and objectives, which may be done as part of
20 the agency's annual planning responsibilities under
21 the Government Performance and Results Act of
22 1993 (Public Law 103–62; 107 Stat. 285).

23 (b) EXTENSION.—~~If one or more agencies are unable~~
24 ~~to comply with the requirements of subsection (a), the Di-~~
25 ~~rector shall report to the Committee on Governmental Af-~~

1 fairs of the Senate and the Committee on Government Re-
 2 form of the House of Representatives the reasons for non-
 3 compliance. After consultation with such committees, the
 4 Director may extend the period for plan development and
 5 implementation for each noncompliant agency for up to
 6 12 months. *If an agency is unable to comply with the re-*
 7 *quirements of subsection (a)(5), the Director may extend the*
 8 *period for the agency to develop and implement a plan that*
 9 *allows applicants to electronically apply for, and report on*
 10 *the use of, funds from Federal financial assistance pro-*
 11 *grams administered by the agency to October 31, 2003.*

12 (c) COMMENT AND CONSULTATION ON AGENCY
 13 PLANS.—

14 (1) COMMENT.—Each agency shall publish the
 15 plan developed under subsection (a) in the Federal
 16 Register and shall receive public comment of the
 17 plan through the Federal Register and other means
 18 (including electronic means). To the maximum ex-
 19 tent practicable, each Federal agency shall hold pub-
 20 lic forums on the plan.

21 (2) CONSULTATION.—The lead official des-
 22 ignated under subsection (a)(4) shall consult with
 23 representatives of non-Federal entities during devel-
 24 opment and implementation of the plan. Consulta-
 25 tion with representatives of State, local, and tribal

1 governments shall be in accordance with section 204
2 of the Unfunded Mandates Reform Act of 1995 (2
3 U.S.C. 1534).

4 (d) SUBMISSION OF PLAN.—Each Federal agency
5 shall submit the plan developed under subsection (a) to
6 the Director and Congress and report annually thereafter
7 on the implementation of the plan and performance of the
8 agency in meeting the goals and objectives specified under
9 subsection (a)(7). Such report may be included as part
10 of any of the general management reports required under
11 law.

12 **SEC. 6. DUTIES OF THE DIRECTOR.**

13 (a) IN GENERAL.—The Director, in consultation with
14 agency heads, and representatives of non-Federal entities,
15 shall direct, coordinate, and assist Federal agencies in
16 establishing—

17 (1) a common application and reporting system,
18 including—

19 (A) a common application or set of com-
20 mon applications, wherein a non-Federal entity
21 can apply for Federal financial assistance from
22 multiple Federal financial assistance programs
23 that serve similar purposes and are adminis-
24 tered by different Federal agencies;

1 (B) a common system, including electronic
2 processes, wherein a non-Federal entity can
3 apply for, manage, and report on the use of
4 funding from multiple Federal financial assist-
5 ance programs that serve similar purposes and
6 are administered by different Federal agencies;
7 and

8 (C) uniform administrative rules for Fed-
9 eral financial assistance programs across dif-
10 ferent Federal agencies; and

11 (2) an interagency process for addressing—

12 (A) ways to streamline and simplify Fed-
13 eral financial assistance administrative proce-
14 dures and reporting requirements for non-Fed-
15 eral entities;

16 (B) improved interagency and intergovern-
17 mental coordination of information collection
18 and sharing of data pertaining to Federal fi-
19 nancial assistance programs, including appro-
20 priate information sharing consistent with sec-
21 tion 552a of title 5, United States Code; and

22 (C) improvements in the timeliness, com-
23 pleteness, and quality of information received
24 by Federal agencies from recipients of Federal
25 financial assistance.

1 (b) LEAD AGENCY AND WORKING GROUPS.—The Di-
 2 rector may designate a lead agency to assist the Director
 3 in carrying out the responsibilities under this section. The
 4 Director may use interagency working groups to assist in
 5 carrying out such responsibilities.

6 (c) REVIEW OF PLANS AND REPORTS.—Upon the re-
 7 quest of the Director, agencies shall submit to the Direc-
 8 tor, for the Director’s review, information and other re-
 9 porting regarding agency implementation of this Act.

10 (d) EXEMPTIONS.—The Director may exempt any
 11 Federal agency or Federal financial assistance program
 12 from the requirements of this Act if the Director deter-
 13 mines that the Federal agency does not have a significant
 14 number of Federal financial assistance programs. The Di-
 15 rector shall maintain a list of exempted agencies which
 16 shall be available to the public through the Office of Man-
 17 agement and Budget’s Internet site.

18 (e) *REPORT ON RECOMMENDED CHANGES IN LAW.*—
 19 *Not later than 18 months after the date of the enactment*
 20 *of this Act, the Director shall submit to Congress a report*
 21 *containing recommendations for changes in law to improve*
 22 *the effectiveness, performance, and coordination of Federal*
 23 *financial assistance programs.*

1 (f) *DEADLINE.*—*All actions required under this section*
 2 *shall be carried out not later than 18 months after the date*
 3 *of enactment of this Act.*

4 **SEC. 7. EVALUATION.**

5 (a) *IN GENERAL.*—~~The Director (or the lead agency~~
 6 ~~designated under section 6(b)) shall contract with the Na-~~
 7 ~~tional Academy of Public Administration to~~ *The General*
 8 *Accounting Office shall* evaluate the effectiveness of this
 9 Act. Not later than ~~4~~ 6 years after the date of enactment
 10 of this Act, the evaluation shall be submitted to the lead
 11 agency, the Director, and Congress. The evaluation shall
 12 be performed with input from State, local, and tribal gov-
 13 ernments, and nonprofit organizations.

14 (b) *CONTENTS.*—The evaluation under subsection (a)
 15 shall—

16 (1) assess the effectiveness of this Act in meet-
 17 ing the purposes of this Act and make specific rec-
 18 ommendations to further the implementation of this
 19 Act;

20 (2) evaluate actual performance of each agency
 21 in achieving the goals and objectives stated in agen-
 22 cy plans; and

23 (3) assess the level of coordination among the
 24 Director, Federal agencies, State, local, and tribal

1 governments, and nonprofit organizations in imple-
2 menting this Act.

3 **SEC. 8. COLLECTION OF INFORMATION.**

4 Nothing in this Act shall be construed to prevent the
5 Director or any Federal agency from gathering, or to ex-
6 empt any recipient of Federal financial assistance from
7 providing, information that is required for review of the
8 financial integrity or quality of services of an activity as-
9 sisted by a Federal financial assistance program.

10 **SEC. 9. JUDICIAL REVIEW.**

11 There shall be no judicial review of compliance or
12 noncompliance with any of the provisions of this Act. No
13 provision of this Act shall be construed to create any right
14 or benefit, substantive or procedural, enforceable by any
15 administrative or judicial action.

16 **SEC. 10. STATUTORY REQUIREMENTS.**

17 Nothing in this Act shall be construed as a means
18 to deviate from the statutory requirements relating to ap-
19 plicable Federal financial assistance programs.

20 **SEC. 11. EFFECTIVE DATE AND SUNSET.**

21 This Act shall take effect on the date of enactment
22 of this Act and shall cease to be effective ~~5~~ 8 years after
23 such date of enactment.

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